

## **BILL ANALYSIS**

Senate Research Center  
86R4664 TJB-F

S.B. 540  
By: Kolkhorst  
Property Tax  
3/18/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

After their home has been destroyed by a casualty or by wind or water damage, current law allows a homeowner to retain their homestead exemption for a period of up to two years while they reconstruct their home.

Following an event like Hurricane Harvey, delays in obtaining insurance and federal assistance can often last longer than two years. Disaster victims are then faced with an increased property tax bill in addition to the devastation of losing their home.

S.B. 540 would extend this time period from two to four years for a home that is rendered uninhabitable by a disaster. The bill also requires the property to be located in an area declared to be a disaster by the governor.

As proposed, S.B. 540 amends current law relating to the period for which a property owner may receive a residence homestead exemption from ad valorem taxation for property that is rendered uninhabitable or unusable as a result of a disaster.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 11.135, Tax Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Amends this subsection by creating Subsection (a-1) from existing text of Subsection (a).

(a-1) Makes nonsubstantive changes and prohibits an owner from receiving an exemption under Section 11.13 (Residence Homestead) for property under the circumstances described by Subsection (a) for more than:

(1) five years if the property is located in an area declared to be a disaster area by the governor following a disaster and the residential structure located on the property is rendered uninhabitable or unusable as a result of the disaster; or

(2) two years if Subdivision (1) does not apply.

SECTION 2. Effective date: upon passage or September 1, 2019.